

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1648 – SB 1822

February 17, 2020

SUMMARY OF BILL: Creates the Teach Me Now Act to replace the Voluntary Pre-K (VPK) for Tennessee Act of 2005. Requires local education agencies (LEAs) to expand pre-kindergarten programs to provide the opportunity for any child residing in the LEA who is four years of age by September 30 of a school year to enroll in a pre-kindergarten program. Removes the \$25,000,000 cap for the required appropriation of excess net education lottery proceeds for pre-kindergarten programs to be made annually in the general appropriations act.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$232,096,600/FY20-21 and Subsequent Years

Increase Local Expenditures – \$109,290,800/FY20-21*
\$99,290,800/FY21-22 and Subsequent Years*

Assumptions:

- The proposed legislation requires LEAs to expand the VPK program and allow any child residing in the LEA who is four-years old by September 30 to enroll in a VPK program.
- Pursuant to Tenn. Code Ann. § 49-6-201, children entering kindergarten must be five years of age, and pursuant to Tenn. Code Ann. § 49-6-3001 attendance in school is not required until age six. Therefore, this program will serve some students who are age five at the time of enrollment in addition to students who are age four.
- Currently there is \$85,000,000 allocated to the VPK program, which includes 137 districts that serve 18,900 students.
- Based on current enrollment data, there are 75,240 students in kindergarten and 18,900 VPK students; it is estimated that increasing access to VPK for all four year olds will result in an additional 56,340 (75,240 - 18,900) students.
- Tennessee Code Annotated § 49-6-104 establishes a maximum VPK class size of twenty students; this will require an additional 2,817 (56,340 / 20) classrooms to accommodate the increased number of students.
- LEAs will be required to significantly increase VPK classroom space to accommodate the increased number of students; it is estimated that the mandatory one-time increase in local expenditures will be \$10,000,000 in FY20-21.
- Data is used from the Basic Education Program (BEP) to calculate the cost of one classroom; VPK Classrooms are each funded at \$117,490 which includes a state contribution of 70 percent and a local match of 30 percent.

- The increased number of students in VPK will require a recurring increase in state expenditures of \$231,678,531 (2,817 classrooms x \$117,490 per classroom x 70%) and local expenditures \$99,290,799 (2,817 classrooms x \$117,490 per classroom x 30%) in FY20-21 and subsequent years
- The expansion of the VPK program will require DOE to hire six additional full-time employees in the Early Childhood Education Division to oversee, monitor, and support the added VPK classrooms.
- One Education Consultant 2 at a minimum salary point will cost \$69,675 (\$54,120 salary + \$15,555 benefits). The required staffing increases will result in a recurring increase in state expenditures of \$418,050 (\$69,675 x 6 positions) in FY20-21 and subsequent years.
- The total recurring increase in state expenditures is estimated to be \$232,096,581 (\$231,678,531 + \$418,050) in FY20-21 and subsequent years.
- The total mandatory increase in local expenditures is estimated to be \$109,290,799 (\$99,290,799 + \$10,000,000) in FY20-21 and \$99,290,799 in FY21-22 and subsequent years.
- Based on information from DOE, the VPK has not received excess lottery funds in any of the past five years; therefore, any impact to the Lottery for Education Account is not significant.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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